



In The Matter Of:

**State of Delaware
Transportation**

**Department of
Pre-Proposal**

Meeting

**P3 Initiative, I-95 Improvement Projects, P3 - Phase I RFP
Meeting**

July 12, 2004

**Wilcox & Fetzer, Ltd.
Phone: 302-655-0477
Fax: 302-655-0497
Email: lhertzog@wilfet.com
Internet: www.wilfet.com**

1 THE STATE OF DELAWARE

2 DEPARTMENT OF TRANSPORTATION

3
4 Contract 24-091-01, P3 Initiative,
5 I-95 Improvement Projects
6 P3 - Phase I RFP Meeting
7

8 July 12, 2004 at 10:00 a.m.

9 Pre-Proposal Meeting
10

11 A Pre-Proposal Meeting held on July 12,
12 2004 at 10:00 a.m. at the DelDOT Administration
13 Building, Route 113, Dover, Delaware, reported by
14 Lorena J. Hartnett, a Registered Professional Reporter
15 and Notary Public.
16

17
18
19
20
21
22
23 WILCOX & FETZER
24 1330 King Street - Wilmington, DE 19801
(302) 655-0477

1 JOHN EUSTIS: Good morning, folks.

2 There is one bit of housekeeping I would like to
3 do before we get started. This is my cell phone.
4 That's the off button. My cell phone is off. I
5 am hoping you will do the same. For the next hour
6 or so, this is probably the most important thing
7 going on, and any problems you have working at
8 home will be taken care of by the time you get
9 your cell phone turned back on, so.

10 Are you ready?

11 Good morning. My name is John Eustis.
12 I am contract services administrator for DelDOT.
13 As you all have seen, there are sign-in sheets,
14 and I am hoping that everyone has signed in.

15 There are a couple of important things
16 that you have to remember for this process. One,
17 we are scheduling one-on-one meetings with firms
18 or teams that are interested for tomorrow and
19 Wednesday. I still have slots available.

20 If you are interested in having a one-on-one
21 meeting, let me know afterwards and I will find a
22 slot for you.

23 The beauty of having all these technical
24 gadgets is nothing works when the electricity is

1 off, so we are going to try to make this somewhat
2 as short as possible, because there is no air
3 conditioning here at the moment, and the lights
4 are going to continue to do this probably until
5 the power is back on permanently.

6 There are some important dates for you
7 to remember. The deadline for questions on this
8 proposal is the 22nd of July. We will take them
9 up to 4:30 p.m. We will try to have -- We will
10 have answers to those questions back to you by the
11 30th of July, and then the proposals are due to us
12 by 4:30 p.m. on September 1. A little thing I
13 would like you to be aware of, when we say
14 4:30 p.m., that's my time. If you need to know
15 what time 4:30 is, give me a call. My cards are
16 up here. You can contact me. I will be happy to
17 tell you what time it is. If you are having them
18 sent in by an overnight delivery, I would suggest
19 you get them in ahead of time. We are responsible
20 for accepting them. We are not responsible for
21 looking for them for you. So it's your
22 responsibility to get them in here on time.

23 There is a couple of people I would like
24 to introduce from my staff. In the back are Scott

1 Gottfried and Jim Hoagland, if you would please
2 stand. Scott is my competitively bid contracts
3 coordinator, and Jim is the consultant control
4 coordinator. They will be handling some of the
5 details of this for me for the next couple of
6 weeks, so you may be -- If you send me e-mails,
7 you may hear back from them. You may hear back
8 from me, but probably not. But they will be as
9 responsive to you as I have been with you up to
10 this point.

11 A couple of things: I like props. Here
12 are copies of the CD's with the information on the
13 projects. If your team does not have a copy of
14 these CD's, we won't accept a proposal from you.
15 We are registering them. They are numbered, and
16 Annette is up front here. If anybody needs
17 another copy, we can provide you with that. We
18 are not charging for them, because we are very
19 magnanimous here at DelDOT.

20 So anything else I need to cover here?
21 Well, the sign-in sheets. I presume everyone has
22 signed in. If not, I will load up the clipboard
23 with a couple of blank sign-in sheets and we will
24 pass it around. So I will turn this over to

1 Darren for the discussion of what we are trying to
2 accomplish here.

3 One of the things I wanted to remind you
4 of before he starts speaking is that when we go to
5 phase two of this selection process, your firm has
6 to be certified, have a certificate of
7 authorization to do work in Delaware for design.
8 Any engineering, architectural firms have to have
9 a CA. If you contact Jim in the back after this,
10 if you don't have a CA for Delaware, he can give
11 you the contact information, or send me an e-mail
12 and we will send you that information. This is
13 very important, because there is two things that
14 go on with that particular law. One, we can't
15 legally employ you and, two, you can't legally do
16 the work. So make sure that if you do not have a
17 CA for Delaware that you get one before we get to
18 phase two.

19 I am going to go ahead and pass this
20 around. If you signed in, that's fine. If not,
21 please do so.

22 DARREN O'NEILL: Can, since the lights
23 are going to flicker, can we just turn them off?
24 I know the ones in back, it might be easier to

1 see. That's good.

2 JOHN EUSTIS: Is that better?

3 DARREN O'NEILL: I think they can see
4 the screen better. Okay, welcome everyone. My
5 name is Darren O'Neill. I am the project manager
6 for the Turnpike Improvement Program.

7 I am not going to stand over by the
8 podium because I like to go to the left. If
9 everybody remembers that Seinfeld episode where
10 Jerry went to the right or left, I don't like
11 standing over here and turning this way, so I will
12 be standing over here and going to the left.

13 I am glad we are all here today. We are
14 here in regards to the phase one for our P3
15 public/private partnership for the I-95 Turnpike
16 Improvement Program.

17 I am going to give you a little
18 background of the history of I-95 and the problem
19 areas that we are dealing with today, and then
20 Karen is going to come up and talk a little bit
21 about the actual RFP we have out there and answer
22 any questions.

23 As John mentioned, we are also
24 scheduling one-on-one meetings with some of the

1 various teams that are available to get in touch
2 with us and ask more detailed questions with us
3 individually.

4 John went through many of the dates
5 here. I would like to go through them one more
6 time again. The pre-submission meeting is what we
7 are having today. What we are shooting for is by
8 the end of the month you have whatever questions
9 you have asked us answered, and in the month of
10 August you will be working together with your
11 teams to make a September 1 submission to DelDOT.

12 So what are we looking at here? I-95 is
13 the East Coast's main corridor. A lot of the
14 different groups that are here along the East
15 Coast know about I-95. For those outside of the
16 local East Coast area, this is basically the life
17 blood of the East Coast from Florida all the way
18 up to Maine. And our little section, while
19 Delaware being the smallest state but also the
20 First State, our little section is extremely
21 important, because anybody who is going from south
22 of Delaware to north of Delaware has got to come
23 through this section of I-95.

24 We don't really have a viable

1 alternative. There is not a bypass to I-95
2 through the marsh. When you get up in the
3 Wilmington area here, we do have alternatives
4 around Wilmington or even into New Jersey up to
5 New York, but anybody who is coming from south
6 Maryland all the way down to Florida that's going
7 anywhere to New Jersey or north all the way up to
8 Maine is going to come through this little section
9 here, six or seven miles of our lovely I-95.

10 Now, years back we were working with a
11 lot of different groups and sponsoring agencies to
12 kind of come up with a plan from the WILMAPCO,
13 which is the Wilmington Metropolitan Area Planning
14 Commission, DART First State, which is our transit
15 organization, the TMA Delaware, which was a group
16 that looked at alternatives to transportation and
17 tried to find ways to get people to do other modes
18 of transportation, car pooling, flex hours, those
19 kind of things.

20 We are also working with environmental
21 agencies that are all part of this. A job of this
22 size needs extreme coordination with the agencies.
23 At the end I will talk a little bit about where we
24 stand on that process with the agencies.

1 From 1992 to 1995 DelDOT was working
2 with a group and trying to put together a plan for
3 fixing this interstate. In 1995 the secretary of
4 Transportation then put a stop on that program.
5 And what she said was, at the time Anne Canby,
6 said we need to look at other ways, we cannot
7 build our way out of congestion.

8 During those years we looked at four
9 major areas to try to use alternative ideas,
10 commuter rail service, enhancing transit
11 facilities, ITS, or Innovative Technologies, which
12 at the time was trying to utilize the
13 infrastructure in a better way, and then promoting
14 ride sharing and car pooling.

15 Rail service, we actually did
16 enhancements to existing rail service areas along
17 the corridor as well as opening up a new rail
18 station at about the mid point of the corridor in
19 the Churchmans Crossing area.

20 As far as the expanded bus service, what
21 was really looked at was that people did not want
22 to ride a bus that sits in the same congestion as
23 the cars, and people did not want to get on a bus
24 that stops every 100 feet to pick up other people,

1 so we looked at express routes, trying to utilize
2 ITS measures within those routes to find the
3 optimum route for a bus to get into the City of
4 Wilmington.

5 We also expanded our ITS, which is now
6 DelTrac, again using technologies, message boards,
7 cameras, we bought a radio station, tried to
8 utilize the existing infrastructure in a better
9 way to optimize operations along the corridor.

10 And we also expanded TDM measures, which
11 during the late nineties leading into the 2000's
12 is a big thing, getting people away from being an
13 SOV, or a single occupant vehicle, and get them
14 into HOV's, and that was in very many different
15 measures, car pooling, van pooling, school
16 pooling, mixing operation hours, just different
17 ways to get people from being in the peak hour
18 traffic by themselves in their own car.

19 Many of these things were very
20 successful, but traffic along the I-95 corridor
21 continues to grow.

22 During that study, our 2010 projection
23 for I-95 was about 189,000, basically 195,000 cars
24 in 2010. What we actually have is about the year

1 2000 we were at 220,000 cars. We are about
2 240,000 now in the summer. Anybody who can draw a
3 straight line where that red line is going can see
4 that we are pretty much through the roof, and it's
5 not stopping.

6 The alternatives to transportation are
7 continuing to grow, as well, but at the rate of
8 and the volume that we have on I-95 today, we
9 still have that problem. And it's not just along
10 the interstates. Two percent of the growth is
11 coming into Delaware. Eight percent of that
12 growth each year is actually coming from local
13 commuters. It's people that are going in the
14 southern areas of Delaware, in the Middletown
15 area, the Bear area, the Odessa area, the Smyrna
16 area. Development, anybody who drove down Route 1
17 can see there really isn't a farm field on either
18 side that you don't see houses now going in, so
19 developments in the south still going up to
20 Wilmington is causing a problem.

21 Two major areas that we are looking at
22 as far as this turnpike improvement program, one
23 area is the toll plaza study area at the Maryland
24 line. The other area is through the Churchmans

1 marsh and the Route 1 interchange.

2 The first area we will look at is the
3 main line along I-95 between Route 1 and the 141
4 interchange. As I mentioned a little bit earlier,
5 you can look on this chart to your left here. The
6 actual volume on I-95 south of 273 is about
7 125,000 cars. We bring on about 45,000 cars a day
8 at the 273 interchange. We bring on about 50,000
9 cars at the Route 1 interchange, so those two
10 interchanges about two miles apart are actually
11 bringing on about 95 to 100,000 cars a day, almost
12 just a little less than what we actually have on
13 the main line of I-95. So the problem isn't just
14 along the I-95 corridor. It's also the volume
15 that's coming in from those interchange ramps.

16 This is an aerial showing the project
17 area of Route 1 to the bottom left, the 141
18 interchange top right.

19 We have a huge problem from an
20 environmental agency side that we are dealing with
21 as we speak. Anybody who deals with environmental
22 would look at that picture and say, well, don't
23 build a road to the right side, build a road to
24 the left side. From a common sense construction

1 standpoint in operations of building it, it would
2 seem easier just to take the existing road, make
3 the shoulders that are out there today the fifth
4 lane.

5 So we are in the process -- We have
6 already submitted our environmental document to
7 the agencies about widening this road from the
8 center line and taking the existing shoulder and
9 making it the fifth lane.

10 This is an aerial just basically showing
11 the rendering. This used to be the four lanes,
12 our shoulder, grass area. It's now five lanes,
13 the shoulder, what was once grass, and the area
14 outside of that becomes your grass buffer. Part
15 of doing this version, we had to also look at what
16 are the wetland impacts and try to minimize that
17 as much as possible.

18 Originally we would try to just do a
19 standard two-to-one slope, and you will have a
20 certain level of impact. We also looked at ways
21 to do a one-to-one reinforced slope and minimize
22 the impacts, but the reality is to go with this
23 sort of retaining wall we could reduce the impacts
24 to the wetlands substantially, so the design and

1 the permitting process that's been put together
2 from the environmental document has the retaining
3 wall with a minimal impact to wetlands. Through
4 the corridor along this section it's less than a
5 quarter acre.

6 This is an aerial again showing the
7 existing conditions. In the area right here
8 again, here is our shoulder, here is our grass
9 strip, this is the wetland areas that we are
10 dealing with. Most people riding along the
11 highway would say it's a roadway ditch, it's a
12 bunch of straggly grass, but in the environmental
13 side of it, it is wetlands and it does have
14 impacts, so we have to deal with them, minimize
15 them as much as possible, and then also mitigate.

16 This is the area just showing the
17 approximate boundaries from the center line about
18 100 feet to the outside of the wetlands, our area
19 again minimizing into the impact of the wetlands
20 by going with the retaining wall.

21 In essence what we are looking to do is
22 we will have a protected work zone where
23 contractors will enter from the Route 1
24 interchange, exit through the 141 interchange,

1 basically have a temporary barrier wall set along
2 I-95, and give the contractor the area outside of
3 that up to the wetland boundary where they can do
4 their work.

5 Coming back the other way through the
6 141 interchange southbound and getting off at the
7 Churchmans interchange, same idea, a contractor
8 has a work area outside of the barrier and then
9 inside the wetland boundary.

10 We conceptually looked at how we would
11 see about going about to build this, because we
12 are dealing with the environmental process of the
13 document as well as getting the permits, so we had
14 to think our way through how could you build this
15 and what would be the minimal impact to wetlands
16 while still having the availability to build this
17 project.

18 In essence what we are going with is we
19 have a reduction in the lanes along 95 to three
20 11-foot lanes and a 12-foot lane next to the
21 barrier. We have a temporary barrier area and
22 then about 30 some feet that would be available to
23 the contractor to work. The contractor would have
24 the area to have two trucks go in and out along

1 the terrain. You have a Gradall in there.

2 Basically your first course of work is basically
3 to build up this barrier wall, putting each layer
4 on top. The Gradall would be able to rotate as
5 the trucks go through. Eventually you would have
6 some ground that you could actually work off of
7 now, and then work your way back into the shoulder
8 area, which would need to be rebuilt to become the
9 actual fifth lane, itself.

10 When that is completed, the barrier goes
11 on top, and now your fifth lane is your existing
12 shoulder and your grass area becomes your shoulder
13 area, and then the barrier would be here and the
14 retaining wall minimizing the wetland impacts.

15 Option two is the option that we went
16 forward with in the environmental document.
17 Option three basically widens one side. We just
18 saw a lot of negatives with that. We had to work
19 with the environmental agencies to try to get
20 their concurrence on that, and the document that
21 was submitted in May has us widening on each side
22 with holding the median barrier where it is today.

23 Another part of the first project, the
24 main line, is the Route SR1 I-95 interchange.

1 That's the interchange up by the Christiana Mall,
2 I-95 through here, Route 1 going through here,
3 Route 1 now serving access down to the beach areas
4 as well as access to all the development that's
5 now happening south of the 95 corridor.

6 The major issues in this interchange,
7 levels of service of a lot of the ramps is F. A
8 lot of the ramps also have various merging
9 conditions where people are getting off 95 and
10 people are trying to get on 95. The weaves
11 between those ramps are difficult. Some of the
12 area in here is extremely difficult because the
13 Christiana Mall has three accesses out of their
14 site onto the interchange ramps. That access will
15 be maintained under this project. So one might
16 look and say, "Well, let's eliminate the mall
17 accesses onto the interstate ramps, that could
18 help some of your operations." The mall accesses
19 will remain on this project onto the ramps.

20 This is the Christiana Mall. As I
21 mentioned, they have an access here, they have an
22 access down here, and they have an access much
23 farther down.

24 This access up here actually comes right

1 out of one of the shopping stores, come out of the
2 parking lot and straight onto the interstate on
3 ramp.

4 Two of the options that are out there
5 that were submitted to the agencies during the
6 project development phase was to look at having
7 your standard outside fly of a ramp, as well as an
8 option to bring it to the inside ramp, and we are
9 really looking forward to your comments on the
10 viability of either of those options in the RFP
11 that was given out.

12 This just goes through some of the
13 advantages and disadvantages of either of those
14 options. Some of them are easier to build. Some
15 of them have less impacts as far as environmental
16 versus another, design speeds. But we are really
17 looking forward to your comments on looking at
18 those options and the viabilities of either.

19 The last major area is the I-95 toll
20 plaza at the Maryland line. As I said at the
21 beginning, people coming from the south going
22 north and people from the north going south,
23 there is only one way through, and it's really at
24 the I-95 toll plaza. Anybody local to the area

1 knows you are not going to get off of I-95 and
2 drive Route 40 or Kirkwood Highway for 12 miles
3 and then get back on north of there. This is what
4 you are going to go through.

5 We have some operational problems here.
6 This satellite plaza was built years back, but, as
7 you can imagine, if the backup gets beyond this
8 point, you can't get to the satellite plaza
9 anyway. Anybody who has driven through here on a
10 holiday weekend or, God forsake, Thanksgiving,
11 knows what that's like, you can't even get to the
12 area.

13 What do we have at the plaza? Today we
14 have about 60,000 to 70,000 cars are going through
15 every day. Summer weekends are around 100,000,
16 and then holidays are around 130,000. And anybody
17 who travels knows that summer weekends are no
18 longer in June, July, August. You know, people
19 start going to the beach in April to October, so
20 it's building weekend after weekend of problems
21 that we have at that plaza area.

22 Part of the push of this plaza
23 improvement is also tied to the E-Z Pass
24 utilization. Everybody who came down here along

1 Route 1, we have had Biddle's Plaza and the
2 highway speed E-Z Pass lanes. We just opened up
3 Dover Toll Plaza to high speed E-Z Pass lanes
4 about a month or two ago. And one might say,
5 "Well, what do you gain for that, it's, you know,
6 high speed movement?" It is substantial when you
7 look at a cash booth that can carry about 350 cars
8 a day. That's somebody handing you the dollar or
9 the five dollars, you got to make change, they ask
10 a question.

11 A dedicated E-Z Pass lane is where you
12 drive through it about ten miles an hour but you
13 don't have to stop, it reads your transponder.

14 A highway-speed E-Z Pass lane basically
15 has the capacity of a regular lane, so we can pull
16 2,000 cars an hour through there.

17 So one might say, "Okay, well, do you
18 have the utilization of E-Z Pass users to put
19 something like this into play?" Our growth of E-Z
20 Pass over the years, the last four or five years
21 is pretty substantial. In '01 we were around
22 23 percent. Right now in some of the areas we are
23 close to 50 percent. Especially on workdays where
24 you have your commuters that are using the road

1 day after day after day, they are all using E-Z
2 Pass today.

3 Our DelDOT goal is to be at 75 percent,
4 so when you go back to that 100,000 on a summer
5 weekend and 75,000 of them, our goal would be to
6 take them through the highway speed lanes and not
7 even go through the plaza.

8 This is just an area that kind of shows
9 cars coming into the plaza. We have a video. All
10 right, we had a video showing the difference
11 between a truck that has to stop at an E-Z Pass
12 plaza versus a truck that just goes straight
13 through the lane. Obviously, E-Z Pass has some
14 benefits.

15 This is an area on the Biddle's Plaza.
16 Existing lanes through here. The highway speed
17 lanes go through the gantry system in the middle.
18 For those with E-Z Pass, it's a huge benefit.
19 They never have to slow down. Anytime you are
20 going on a beach or a major congested route area,
21 you will find the people in this lane, and you
22 just got to wonder why they don't have it.

23 But the consortium that was putting
24 together the E-Z Pass plan years back is pushing

1 and pushing for more and more states, and I think
2 for now Virginia all the way up to Maine has E-Z
3 Pass utilization.

4 These are just some aeriels again
5 showing the congestion. A lot of trucks, a lot of
6 cars get caught back up. We have air quality. We
7 have stopping, grinding gears. Residents live
8 nearby. They don't like all the congestion, the
9 smell that's out there.

10 We also have problems at the plaza,
11 itself. The plaza was probably a wonderful plaza
12 when it was opened in the early sixties, but the
13 plaza now is 40 years old. The 88 compatibility
14 is not there. What we try to show here is that if
15 you actually work in a booth, you have to walk up
16 the stairs and step in a lane where a car is
17 driving to get into the booth, probably not the
18 safest condition in the world. The width of the
19 stairways doesn't meet any of the requirements of
20 today, so the whole plaza area needs to be
21 upgraded to 2000 plus standards, as well as
22 incorporate the E-Z Pass system.

23 Again, just an aerial showing some of
24 the backups that we have in the area.

1 And what we are looking to do is reduce
2 the number of lanes that are out there today while
3 holding the footprint as best possible. So in our
4 environmental document that we sent to the
5 agencies, the impact of this is going to have
6 almost zero impact. I think we are looking at a
7 .02 acres of impact as far as wetlands here.

8 Okay, these are just some of the toll
9 plaza design assumptions that were put together in
10 your packets.

11 The option that we looked at and chose
12 is option two, which is to put the plaza where it
13 is today. From a constructibility standpoint,
14 building it anywhere but where it is today would
15 have been easier, but it would have had
16 environmental impacts, community impacts, and also
17 some operational impacts in that any work we did
18 in another area would have a problem as well as
19 work up on the same section while we took the
20 existing plaza down. So the option that's in the
21 environmental document, and that document is
22 actually a categorical exclusion, we didn't even
23 have to go with an environmental assessment
24 because the impact was almost nothing, was to

1 build a plaza where it is today.

2 On the project schedule for the toll
3 plaza, the environmental document was submitted in
4 May. We just went into the environmental agency
5 meeting in July and got some comments back. We
6 are optimistic that we will have the environmental
7 documents approved this fall and move forward with
8 the permitting process by later next spring.

9 For the turnpike and the fifth lane,
10 there were some more comments. It's a little bit
11 bigger project. You also have some of the high
12 speed ramps from the mall interchange as part of
13 that project, but again the idea is that by March
14 or early spring next year, we would have the
15 permits in hand on that project, as well.

16 Let me just, before we go to that one,
17 just give you an update on the environmental
18 process, itself. As I say, we had the meeting in
19 July and the agencies, in essence, are looking at
20 about a 200 million-dollar job with about an acre
21 and a quarter of wetlands impact total. So, while
22 the environmental agencies are making sure that we
23 minimize, I think that when you are looking at
24 \$200 million worth of work and about an acre and a

1 half of wetlands, at most, we are in pretty good
2 shape as far as what we have done to minimize as
3 much as possible.

4 We are building existing improvements on
5 top of themselves where they are today, which we
6 are not picking a new corridor, we are not picking
7 a new alignment or going into a virgin area that
8 hasn't been hit. We are putting the 95
9 improvements along the corridor where it is today,
10 so from an environmental standpoint that has huge
11 benefits. From a constructibility standpoint and
12 putting this plan together and how do we build it,
13 that's where the focus is really going to go on
14 you, as well, is to come up with a way to put this
15 plan together, to put it on the ground while
16 maintaining the corridor, the operations, the toll
17 facilities, the interchanges, while we are getting
18 this work done efficiently and effectively.

19 Okay, Karen is going to come up and talk
20 a little bit about submissions.

21 KAREN HEDLUND: I can't talk from the
22 right. I am Karen Hedlund from the Knox and
23 Guthner firm, and we are serving as special
24 counsel to the Delaware Department of

1 Transportation together with the Wilmington firm
2 of Connolly Bove.

3 And let me just take a few minutes to
4 talk about the RFP, itself. This is a project
5 that can be procured conventionally. We have a
6 stream of revenues. We have a toll road. We have
7 tolls on both the turnpike and Route 1. However,
8 this is a project that the secretary of
9 Transportation of the State of Delaware thought
10 might be a good candidate for utilizing the new
11 tools that are available to Delaware under its
12 Public/Private Initiatives Act, and so they are
13 going to you, the industry, for new ideas on how
14 to procure this project.

15 The elements of the RFP that you will be
16 responding to are things that I think you have
17 seen before. There is nothing here that is in
18 general particularly different. I will talk about
19 the evaluation process and then the whole
20 procurement process at the end, which is a little
21 bit different from what you have seen before and
22 why we are doing that.

23 The RFP calls for the usual proposal
24 letter, executive summary and forms important for

1 you to designate which portions of the RFP, of
2 course, are going to be confidential, but the
3 executive summary should be something that does
4 not contain confidential information and can be
5 made public.

6 In terms of the qualifications and
7 experience, we are asking for information with
8 respect to the submitter, any equity members of
9 the submitter, as well as the lead designer and
10 the lead construction contractor and anyone else
11 that you would choose to identify.

12 In terms of personnel qualifications,
13 there are a limited number of identified positions
14 that we want resumes for, and again you can
15 supplement that with any other members of the team
16 that you would like to propose. These are people
17 who should be available, and you will make
18 statements that they will be available to work on
19 this project.

20 The information for the financial and
21 legal qualifications again needs to be submitted
22 for the submitter and the equity members, and
23 again particularly with respect to the financial
24 information make sure that you specify on each

1 page the information that should be held
2 confidential.

3 In terms of the financial submissions,
4 in addition to financial information, you are
5 being asked to provide a letter from a surety
6 indicating that they can provide \$100 million
7 surety bond for this project. That letter is
8 really very, very important.

9 The phase one RFP then goes on to ask
10 for both a conceptual project development plan and
11 a conceptual project financing plan. The
12 conceptual project development plan asks for your
13 general approach, wants you to identify the
14 particular risks that you see in the project, what
15 your approach is to the environmental issues, to
16 ITS, and very importantly on this project for
17 traffic mitigation.

18 And then you will see there is a
19 question there for what are the benefits here of
20 the public/private partnership. We are looking
21 for new ideas here, new ways of procuring those
22 projects, so this is a very important question to
23 be addressed.

24 There are also quite a number of

1 technical questions that need to be answered with
2 respect to this project. I don't know if Bill
3 Hellman from RKK, if you want to say anything more
4 about those questions that have to be covered. If
5 you have questions about the questions, please ask
6 them. Bill can answer them later.

7 In terms of the conceptual project
8 financing plan, the thing to understand is that,
9 and this is a quote from the RFP, "The Department
10 is interested in receiving only financing
11 proposals that are supplemental to, or in lieu of,
12 the issuance of additional senior lien and junior
13 lien bonds by the Authority."

14 The most recent official statement of
15 the prospectus for the most recent bond issuance
16 by Delaware is on the CD, so your financial people
17 can look at that and get some sense of what is
18 capable of being financed on a senior lien basis
19 from those revenues.

20 The tolls from 95 are pledged. The
21 tolls from Route 1 are not pledged. There are
22 opportunities there to do something with those
23 revenues other than senior lien bonds. Those are
24 things that the Department can do, itself. You

1 may see some opportunities for doing something
2 else with those revenues. You may see
3 opportunities for finding revenues elsewhere in
4 the project. We really would like you to use your
5 imagination. Notwithstanding that, we are not
6 requiring that for phase one that you indicate or
7 show on your team. An investment banking or
8 financial advisory firm is certainly free to do
9 that, but it's not required. You wouldn't be held
10 nonresponsive if you don't show a banker at this
11 stage in the process.

12 Let me talk a little bit now about the
13 evaluation process and why the RFP is structured
14 the way it is. It's in two phases. Phase one is
15 to get your qualifications and experience and to
16 get your ideas for development and financing. At
17 the end of phase one, all of the proposals will be
18 reviewed, and at that point the Department and the
19 Secretary will take a look at the quality of those
20 proposals and make a decision whether or not to go
21 forward to phase two and do this on a
22 public/private basis.

23 We are certainly hoping that the quality
24 of those proposals is going to be very high and

1 that you all are going to show the Department that
2 we can do something using the new PPP process that
3 we couldn't do procuring this project on a
4 conventional basis.

5 Because of some limitations in the
6 statute, it does not explicitly provide for short
7 listing, and Delaware counsel is concerned about
8 that, so that in the first phase, although we will
9 be evaluating the proposals and evaluating for the
10 very important purpose of seeing whether there is
11 something out there we should go forward with,
12 there will not be any short listing at the end of
13 phase one. Notwithstanding that, all of the
14 information that you are going to be submitting
15 with respect to your qualifications is going to be
16 evaluated and will be an important part of the
17 ranking in phase two, so do not hold back on any
18 part of this.

19 The pricing will, of course, be in phase
20 two. We are not asking for pricing here on phase
21 one.

22 In terms of weighting, I think what
23 we can tell you is that the qualifications, the
24 financial proposal, the development proposal, will

1 be weighted equally. There will be probably more
2 specific criteria that are identified supplemental
3 to what we have in phase one in phase two, and in
4 phase two you will be permitted to enhance your
5 proposals with respect to both development and
6 financing. We don't expect to see something
7 entirely different, but we do anticipate that the
8 proposals will be enhanced.

9 This will be an interim process. Your
10 proposals will remain completely confidential. We
11 don't want to do any technical leveling by taking
12 ideas from one team and making them, incorporating
13 them in what we are asking for in phase two. We
14 are going to do our level best to keep everything
15 confidential and to maintain for each of the
16 proposal teams the benefit of their own
17 intellectual property.

18 If you have any questions on the
19 proposal process, I am happy to answer them today,
20 and certainly you can put them in writing and we
21 will respond to them by the 22nd or 30th, whatever
22 that date is. Thank you.

23 JOHN EUSTIS: This is your opportunity
24 to ask questions, if you have them now. Before we

1 get to that, I want to make sure that the sign-in
2 sheet is making its way back forward.

3 So, since we have a stenographer here
4 that is transcribing this meeting, I would ask
5 that if you desire to ask a question that you
6 state your name and the firm that you represent.
7 The other thing about the transcript is when I get
8 the transcript back, we will post it on the
9 Internet on the same site where the proposal is.
10 So, with that, yes, sir?

11 RICK VOLK: Rick Volk with KPRI. Karen,
12 you said the phase one proposal will be kept
13 confidential?

14 KAREN HEDLUND: Yes.

15 RICK VOLK: Will any part of them be
16 fordable?

17 KAREN HEDLUND: There is a provision for
18 confidentiality in the statute that we think is
19 pretty good coverage for maintaining the
20 confidentiality of those provisions. You and your
21 counsel should take a look at them and make sure
22 that you feel comfortable with them, but we will
23 do, you know, we will do our best to keep it
24 confidential. The executive summaries, I think

1 are intended to be, will be intended to be public.

2 RICK VOLK: The executive summaries,

3 okay.

4 JOHN EUSTIS: Anyone else? Yes, sir?

5 GEOFF SEARLE: Geoff Searle with Granite
6 Construction. The questions and answers, are they
7 to be kept confidential, or are they to be shared
8 with everybody?

9 KAREN HEDLUND: No, they will be
10 confidential, yes.

11 GEOFF SEARLE: Are the one-on-one
12 meetings going to be?

13 KAREN HEDLUND: That's right, yes.

14 KENT MARSHALL: Kent Marshall, Granite
15 Construction. I didn't quite understand how the
16 phase one ranking carries into phase two.

17 KAREN HEDLUND: It's not a ranking in
18 phase one. We will be doing an evaluation. The
19 information in phase one will be included in the
20 ranking that will be done in phase two. So the
21 only -- At the end of phase one, the only
22 determination that we will be making is to whether
23 a proposal is responsive.

24 And we will let you know at the end, if

1 we decide to go ahead with phase two, if anyone
2 submits a proposal, a phase one proposal that we
3 think is essentially nonresponsive to the RFP, we
4 will let you know that and give you an opportunity
5 to fix it, but that's the only essentially
6 determination I guess made at the end of phase
7 one.

8 KENT MARSHALL: Kent Marshall again.
9 When you start with phase two, is everyone
10 starting with a clean sheet?

11 KAREN HEDLUND: With respect to the
12 qualifications and experience section, no. That
13 information completely carries over. With respect
14 to the conceptual development and financial plans,
15 you will have the opportunity, obviously, to
16 amplify those in phase two.

17 LOU ROBBINS: Lou Robbins, Dewberry.
18 You indicated a few minutes ago that you had an
19 opportunity to change the short list being
20 submitted. Is that what you said?

21 KAREN HEDLUND: There will be an
22 opportunity for you to submit additional
23 information. If we find something that
24 disqualifies you, we are going to give you an

1 opportunity to fix that. And, by disqualify, I
2 mean that your proposal is nonresponsive.

3 JOHN EUSTIS: Essentially we are going
4 to do the best we can to make sure that as many
5 people as possible are responsive.

6 KAREN HEDLUND: Right, we want as much
7 competition as possible.

8 JOHN EUSTIS: Yes, sir?

9 CLARK BOTTFNER: Clark Bottner, Shirley
10 Contracting. Do you know what the legislation is
11 with one team in phase two? What is your
12 interpretation if you only have one team?

13 KAREN HEDLUND: We can go with one team
14 and negotiate.

15 CLARK BOTTFNER: And negotiate?

16 KAREN HEDLUND: Yes.

17 JOHN EUSTIS: Okay, there has got to be
18 more out there.

19 KAREN HEDLUND: There was one question
20 that was asked of me before we started that I
21 maybe want to clarify. With respect to the
22 financial conceptual proposals, it says you can
23 give us ideas for the entire project, itself,
24 which has three components, or you may have ideas

1 that provide some financial benefit only for one
2 part of this, so you can do one part or all.

3 Again, keeping in mind that we have the
4 ability to do a certain amount of financing, so we
5 are looking for supplemental financial proposals.

6 JOHN EUSTIS: Anything else? Is there
7 anyone here that needs copies of the CD's?

8 (Hands raising)

9 JOHN EUSTIS: Good, more people than I
10 have copies. The other thing, is anyone here that
11 wants to schedule a one-on-one? I have some open
12 slots. They are going cheap.

13 Okay, those of you that need CD's, if
14 you would see Annette. If there are no other
15 questions -- yes, sir.

16 VOICE: How long are the slotted
17 sections?

18 JOHN EUSTIS: Two hours.

19 MICHAEL SCHNEIDER: I do have one
20 question. Mike Schneider with PB. Obviously
21 there will be a lot of project information of a
22 typical nature on the CD's. What about the
23 financing information, what monies the State has
24 available and how much they are willing to be

1 committed, what the funds flow might be and so
2 forth, in order to look at the conceptual
3 financial proposal?

4 KAREN HEDLUND: The financial
5 information on the CD includes the most recent
6 official statement which has what the current
7 revenues and projected revenues are for the toll
8 road, and there is some supplemental information
9 on projected total revenues in another file on
10 that CD, as well.

11 If there is additional financial
12 information you think would be useful and is
13 available, you should let us know and we will make
14 it available to everyone.

15 JOHN EUSTIS: Okay?

16 JERY JANNETTI: Jery Jannetti, PB. Will
17 the sign-in sheet be made available?

18 JOHN EUSTIS: Yes. What I will do, what
19 I intend to do is have that typed up and posted on
20 the Internet also. That's probably going to take
21 a couple of days, because I notice not everyone
22 has perfect handwriting.

23 Anything else? Very good. I appreciate
24 your coming, and we look forward to getting your

1 proposals in on September 1. I look forward to
2 hearing some of your questions. Thank you very
3 much for coming.

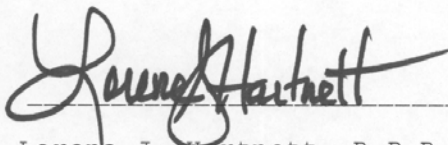
4 (Concluded at 10:47 a.m.)
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

1 CERTIFICATE

2 I, Lorena J. Hartnett, a Notary Public
3 and Registered Professional Reporter, do hereby
4 certify that the foregoing is an accurate and
5 complete transcription of the proceeding held at
6 the time and place stated herein, and that the said
7 proceeding was recorded by me and then reduced to
8 typewriting under my direction, and constitutes a true
9 record of the testimony given by said witnesses.

10 I further certify that I am not a relative,
11 employee, or attorney of any of the parties or a
12 relative or employee of either counsel, and that I am
13 in no way interested directly or indirectly in this
14 action.

15 IN WITNESS WHEREOF, I have hereunto set my
16 hand and affixed my seal of office on this 14th day of
17 July 2004.

18
19
20
21
22 

22 Lorena J. Hartnett, R.P.R.

23 Reporter Certificate #134-RPR, Exp. 01-31-2005
24



WILCOX & FETZER LTD.
Registered Professional Reporters